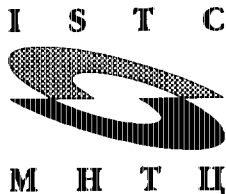


INTERNATIONAL
SCIENCE AND TECHNOLOGY
CENTER

Luganskaya ulitsa, 9
PO Box 25, 115516 Moscow,
Russian Federation
Tel: (7-095) 321-4665
Fax: (7-095) 321-4744



МЕЖДУНАРОДНЫЙ
НАУЧНО-ТЕХНИЧЕСКИЙ
ЦЕНТР

Луганская улица, 9
А/Я 25, 115516 Москва,
Российская Федерация
Тел: (7-095) 321-4665
Факс: (7-095) 321-4744

Tel: 321 41 61
Fax: 321 44 61

August 19, 1998

Ref: PAO-PA-104

Attn: Ms. Elly Melamed
US Department of Energy
19901 Germantown Road
Germantown, MD 20874-1290
Fax: (301) 903-3445


Subject: Annex to the Memorandum of Agreement

Dear Ms. Melamed,

Enclosed please find a signed original copy of the Annex to the Memorandum of Agreement between ISTC and DOE. An original copy of the Addendum to Project Agreement #1045 will be sent to you later.

Looking forward to hearing from you soon.

Sincerely,


Norihiko Yokoyama

Encl: Annex to the Memorandum of Agreement (4 pages)

**ANNEX II-A
TO THE MEMORANDUM OF AGREEMENT
BETWEEN
THE DEPARTMENT OF ENERGY OF THE UNITED STATES OF AMERICA
AND
THE INTERNATIONAL SCIENCE AND TECHNOLOGY CENTER
IN THE RUSSIAN FEDERATION
CONCERNING
COOPERATION IN APPROVED PROJECTS TO FACILITATE
THE NONPROLIFERATION OF WEAPONS AND WEAPONS EXPERTISE

FOR THE EPIDEMIOLOGIC AND RADIATION HEALTH
DATA PRESERVATION PROJECT**

The Department of Energy of the United States of America ("DOE") and the International Science and Technology Center in the Russian Federation ("ISTC") (hereinafter collectively the "Parties"),

Having signed the Memorandum of Agreement between the Department of Energy of the United States of America and the International Science and Technology Center in the Russian Federation for Cooperation in Approved Projects to Facilitate the Nonproliferation of Weapons and Weapons Expertise (hereinafter the "MoA"), signed and entered into force on June 16, 1995, and

Desiring to extend the joint project among the United States Department of Energy, the MAYAK Industrial and Scientific Association ("MAYAK"), and institutes of the Ministry of Health of the Russian Federation to preserve certain Russian radiation-related epidemiologic and health data ("ISTC Project 1045"),

Have agreed as follows:

Article 1

1. The purpose of this Annex is to establish the procedures under which the Parties will cooperate to facilitate the preservation of radiation-related epidemiologic and health data records associated with the MAYAK production facility in the southern Urals (the "Project").
2. This Annex is subject to the MoA.

Article 2

1. Cooperative activities undertaken by the Parties pursuant to this Annex include preservation through microfilming and declassification of worker dosimetry, health data and related records at MAYAK and the First Branch of the Biophysics Institute of the Ministry of Health of the Russian Federation ("FIB-1").
2. To fund the Project, DOE will contribute to the ISTC the sum of One Hundred Twenty-Five Thousand Dollars (\$US 125,000.00). This contribution shall be paid in US Dollars to an ISTC account at the Bankers Trust Company, New York, Account Number 04-838-214, by telegraphic transfer in accordance with the following schedule: \$55,000 on or before September 30, 1998 and \$70,000 on or before November 30, 1998.
3. In addition, the DOE shall provide in-kind equipment and supplies as specified in the Work Plan attached as Annex I to the Addendum to Project Agreement #1045.
4. The ISTC shall not use or otherwise dispose of DOE's funds and in-kind supplies and materials for any purpose other than those authorized under the MoA, this Annex, and the Work Plan.
5. The ISTC shall effect grant payments to individual Project participants, in-kind supplies of materials and services, payment of bank fees, advance payments to MAYAK, and shall perform such other functions as set forth in Project Agreement #1045.
6. The ISTC shall be responsible for customs clearance for those materials and equipment to be provided by the DOE in-kind. It is the intention of the Parties that the recipient institution(s) of the microfilming equipment supplied by DOE for the Project shall retain custody of that equipment following the conclusion of the Project, to perform such other microfilming needs as they arise.

Article 3

Each Party shall designate a Project Coordinator to implement their cooperation on the Project.

Article 4

In the event that the Project is terminated and the DOE funds have not been fully disbursed, the ISTC shall inform the DOE of the amount of any funds remaining. Any such remaining funds shall be returned to DOE within thirty (30) days of notifying DOE of the amount of funds remaining.

Article 5

1. The ISTC shall, in respect of legal proceedings and claims, hold harmless and bring no legal proceedings against the DOE or its personnel for any actions undertaken pursuant to this Annex, and the ISTC shall ensure that the DOE is not held liable for any aspect of ISTC projects funded by contributions from the United States Government made by the DOE.
2. The ISTC shall ensure that DOE is not liable for any charges, including but not limited to taxes, fees, and permits, in connection with the Project.

Article 6

1. The ISTC shall maintain an accounting system which accurately records DOE contributions and the transfer of these funds for use in the Project, consistent with the terms of the ISTC Statute and Project Agreement #1045.
2. The ISTC, at its discretion or upon the request of the DOE, shall conduct on-site auditing and monitoring in accordance with the ISTC Statute and Project Agreement #1045.
3. Representatives of the DOE and its experts may conduct one or more site visits to the Project, to render any necessary technical assistance and to monitor the microfilming process. If requested, the ISTC shall facilitate the site visits.

Article 7

1. ISTC shall submit to DOE on a quarterly basis financial reports detailing ISTC's disbursement of funds transferred by DOE to ISTC under this Annex. Each such report shall identify the name of the recipient, the amount of the disbursement, and the purpose for which the disbursement will be used. The DOE reserves the right to request additional information concerning such disbursements. These requests shall be in writing, be reasonable in nature, and allow at least thirty (30) days for accomplishment. The ISTC shall respond to such requests in an expeditious manner.

2. The DOE shall use the individual-specific information in the ISTC's reports only for official purposes relating to DOE's discharge of its responsibilities to account for expenditure of appropriated funds, and for no other purpose.

Article 8

1. This Annex shall enter into force on September 1, 1998 and shall remain in force for the estimated twelve (12) month duration of the Project.
2. This Annex may be amended by written agreement of the Parties.
3. Either Party may withdraw from this Annex one (1) month after written notification to the other Party, except that the obligations contained in Articles 4, 5, 6, and 7 of the Annex shall remain in force unless the Parties otherwise agree in writing.

Done in Washington, D.C. and Moscow, in duplicate, in the English language.

FOR THE DEPARTMENT OF ENERGY
OF THE UNITED STATES
OF AMERICA

Date: 8/13/98

FOR THE INTERNATIONAL
SCIENCE AND TECHNOLOGY
CENTER

Date: Aug. 14, 1998